

August 31, 2007

Mr. Alex Lee
Transmission Engineering Manager
Great Lakes Power Limited - Transmission Division
2 Sackville Rd.
Sault Ste. Marie, ON
P6B 6J6

Dear Mr. Lee,

***New 115 kV Mid Span Line Disconnect Switch #1225 on Steephill Line
Notification of Conditional Approval of Connection Proposal
CAA ID Number: 2007-EX338***

Thank you for the detailed information regarding the new mid span manual line disconnect switch #1225 on the 115 kV Steephill line.

From the information provided, our review concludes that the proposed change will not result in a material adverse effect on the reliability of the IESO-controlled grid.

The IESO is therefore pleased to grant **conditional approval** for the modification detailed in the attached assessment report subject to your signed acknowledgment below. Any material changes to your proposal may require re-assessment by the IESO in accordance with Market Manual 2.10, and may nullify your conditional approval.

Final approval to connect the equipment to the IESO-controlled grid will be granted upon successful completion of the IESO Facility Registration process including, without limitation, satisfactory completion of the requirements set out in the System Impact Assessment report. During this process you shall demonstrate the requirements have been fulfilled and the equipment installed has characteristics no worse than those in the proposal assessed by the IESO. Please contact market.entry@ieso.ca if you have not received a Facility Registration Summary package within the next 10 days.

For further information, please contact the undersigned.

Yours truly

Michael Falvo

Manager - Transmission Assessments & Performance

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Fax: (905) 855-6372

E-mail mike.falvo@ieso.ca

cc: IESO Records

Great Lakes Power Limited - Transmission Division acknowledges receipt of the System Impact Assessment Report setting out the IESO requirements for final approval, and commits to fulfill these requirements, and all other applicable Market Rules, before receiving final approval to connect to the IESO-controlled grid.

Dated: _____

Per: _____

Name: _____

Title: _____

ASSESSMENT SUMMARY

Great Lakes Power Limited - Transmission Division

1.0 GENERAL DESCRIPTION

Great Lakes Power Limited - Transmission Division is proposing to install a new mid span manual line disconnect switch (1225) on the Steephill 115 kV line. The purpose of the switch is to isolate the Steephill 115 kV line from Magpie TS to structure #207 and to facilitate the operation of River Gold Mines Ltd. and Steephill GS as an island and to aid future maintenance and pole replacement on this section of the Steephill 115 kV line.

The new configuration is shown in Figure 1. The planned in-service date is August 7, 2007.

2.0 PROPOSED MODIFICATION

The technical specifications for the new manual line disconnect switch are listed below:

New Manual Line Disconnect Switch	
Identifier	1225
Configuration	3 phase
Nominal Voltage	138 kV
Maximum Voltage	145 kV
Continuous Current	1200 A rms
Momentary Current	61 kA
Manufacturer	Cleveland Price
Serial Number	05B0418-0101

3.0 ASSESSMENT

The information provided by Great Lakes Power shows that the technical characteristics of the new disconnect switch are acceptable.

Based on the Transmission System Code (Appendix 2) the maximum fault levels on the 115 kV system are limited to 50 kA. The new switch is rated above this performance standard.

The new disconnect switch meets the market rules with respect to maximum continuous voltage. Appendix 4.1 reference 2 states that equipment on the 115 kV grid may be exposed to voltages as high as 132 kV.

4.0 CONCLUSIONS

It can be concluded that this new disconnect switch will have no material adverse effect on the IESO-controlled grid.

5.0 REQUIREMENTS

Great Lakes Power Limited - Transmission Division must notify the IESO as soon as it becomes aware of any changes to the switch specifications provided for this connection assessment. The IESO will determine whether these changes require a re-assessment.

Great Lakes Power Limited - Transmission Division is required to meet the transmitters' requirements with respect to protection systems for the new disconnect switch and coordination with the existing protection systems, as outlined in the Transmission System Code.

The IESO requires that Great Lakes Power Limited - Transmission Division provide a manual notification of this switch status to the IESO.

6.0 NOTIFICATION OF CONDITIONAL APPROVAL

It is therefore recommended that a Notification of Conditional Approval of the Connection Proposal be issued, subject to the requirements detailed above.

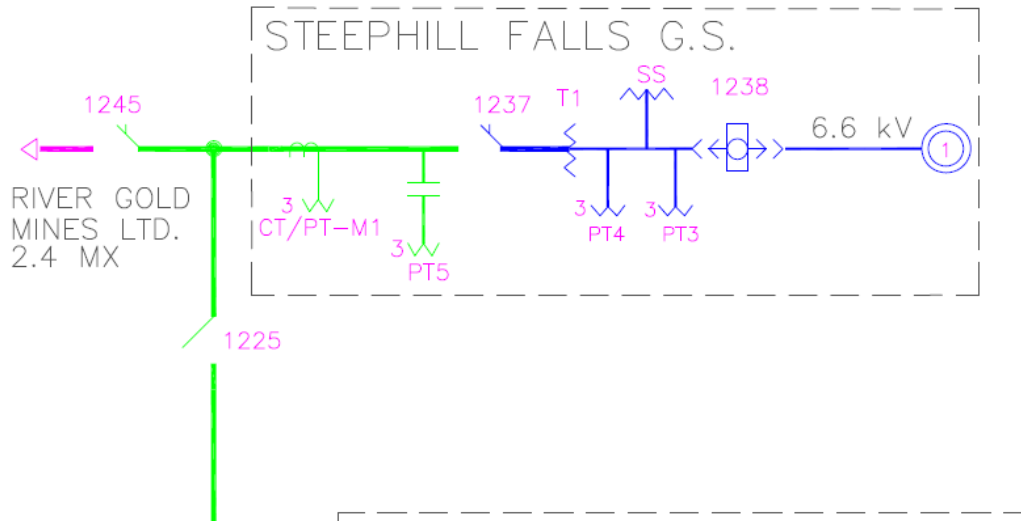


Figure 1: New Mid-Span Manual Line Disconnect Switch #1225